

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF RATES OF COLUMBIA )  
GAS OF KENTUCKY, INC. ) CASE NO. 10201

O R D E R

IT IS ORDERED that the Kentucky Industrial Utility Customers ("KIUC") shall file an original and 10 copies of the following information with this Commission, with a copy to all parties of record. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to insure that it is legible. The information requested herein is due no later than August 11, 1988. If the information cannot be provided by this date, you should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

1. The following questions relate to the discussion of cost incurrence principles in Eisdorfer Appendix B:

a. Regarding variable costs, does it follow that lost and unaccounted for gas (shrinkage, line losses, etc.) will increase as throughput increases?

b. An industrial transportation customer receives a volume of gas equal to the volume its supplier injects into the

distribution system. What is required, from a cost of service standpoint, to ensure the proper allocation of lost and unaccounted for gas to the transportation customer for the shrinkage and loss of transportation volumes within the distribution system?

c. Do the contracts between KIUC transportation customers and their suppliers include shrinkage/line loss clauses which ensure that Columbia's tariff sales customers are not bearing the cost of shrinkage or losses of transportation volumes?

2. According to Columbia's Response to Item No. 9 of KIUC's Initial Data Request, Columbia has successfully avoided interrupting service since February 1978 by enacting certain safeguards. Explain how this information has been incorporated into your cost-of-service study. In your opinion, does this information imply that interruptive customers have an inherent responsibility for a portion of the costs of distribution mains? Explain.

3. Provide all workpapers used to compile your cost-of-service study. These should include, but not be limited to, all calculations, equations, figures, factors, etc. used to perform the changes you made to Columbia's study as described on pages 6-7 of your testimony and the analyses reported in Schedules 4 and 5 of Exhibit KE-1. This information must be presented in a form that allows a facile comparison with Columbia's cost-of-service study.

Done at Frankfort, Kentucky this 3rd day of August, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Herman, Jr.  
For The Commission

ATTEST:

Executive Director